

**HB 2458 - H AMD 1554**

By Representative Stonier

WITHDRAWN 02/17/2020

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 28A.400.280 and 2018 c 260 s 29 are each amended to  
4 read as follows:

5 (1) Except as provided in subsection (2) of this section, school  
6 districts may provide employer fringe benefit contributions after  
7 October 1, 1990, only for basic benefits. However, school districts  
8 may continue payments under contracts with employees or benefit  
9 providers in effect on April 13, 1990, until the contract expires.

10 (2) (a) School districts may provide employer contributions after  
11 October 1, 1990, for optional benefit plans, in addition to basic  
12 benefits. Beginning January 1, 2020, school district optional  
13 benefits must ~~((be outside))~~ not compete with any form of the basic  
14 or optional benefits offered in the school employees' benefits board  
15 program either under the school employees' benefits ~~((board's~~  
16 authority)) board established in RCW 41.05.740~~((+6))~~ or under the  
17 authority of the health care authority in the salary reduction plan  
18 authorized in RCW 41.05.300 and 41.05.310. School districts and the  
19 applicable carrier must work with the health care authority to either  
20 modify and remove competing components of the district-based benefit  
21 or end any district-based benefit offering determined to be in  
22 competition with offered benefits of either the health care authority  
23 or the school employees' benefits board.

24 (b) Beginning December 1, 2019, and each December 1st thereafter,  
25 school district optional benefits must be reported to the school  
26 employees' benefits board and health care authority. ~~((The school~~  
27 employees' benefits board shall review the optional benefits offered  
28 by districts and: (a) Determine if the optional benefits conflict  
29 with school employees' benefits board's plans offering authority and,  
30 if not, (b) evaluate whether to seek additional benefit offerings  
31 authority from the legislature. Optional benefits may include direct  
32 agreements as defined in chapter 48.150 RCW, and may include employee

1 beneficiary accounts that can be liquidated by the employee on  
2 termination of employment))

3 (c) Unless the school employees' benefits board offers such  
4 benefits, school districts may offer only the following optional  
5 benefits to school employees:

6 (i) Benefits listed in section 3(1) (a) through (i) of this act,  
7 to be offered as employee paid voluntary benefits that may be  
8 administered by using payroll deductions; and

9 (ii) Voluntary employees' beneficiary accounts, inclusive of  
10 benefit plans authorized by RCW 28A.400.210(3).

11 (d) Optional benefit plans may be offered only if:

12 ~~((a))~~ (i) Each full-time employee, regardless of the number of  
13 dependents receiving basic coverage, receives the same additional  
14 employer contribution for other coverage or optional benefits; and

15 ~~((b))~~ (ii) For part-time employees, participation in optional  
16 benefit plans shall be governed by the same eligibility criteria  
17 and/or proration of employer contributions used for allocations for  
18 basic benefits.

19 (3) School districts are not intended to divert state basic  
20 benefit allocations for other purposes. Beginning January 1, 2020,  
21 school districts must offer all benefits offered by the school  
22 employees' benefits board administered by the health care authority,  
23 and consistent with RCW 41.56.500(2).

24 (4) Any optional benefits offered by a school district under  
25 subsection (2) of this section are considered an enhancement to the  
26 state's definition of basic education.

27 **Sec. 2.** RCW 28A.400.350 and 2019 c 411 s 6 are each amended to  
28 read as follows:

29 (1) The board of directors of any of the state's school districts  
30 or educational service districts may make available medical, dental,  
31 vision, liability, life, accident, disability, and salary protection  
32 or insurance, direct agreements as defined in chapter 48.150 RCW, or  
33 any one of, or a combination of the types of employee benefits  
34 enumerated in this subsection, or any other type of insurance or  
35 protection, for the members of the boards of directors, the students,  
36 and employees of the school district or educational service district,  
37 and their dependents. Except as provided in subsection (6) of this  
38 section, such coverage may be provided by contracts or agreements  
39 with private carriers, with the state health care authority, or

1 through self-insurance or self-funding pursuant to chapter 48.62 RCW,  
2 or in any other manner authorized by law. Any direct agreement must  
3 comply with RCW 48.150.050.

4 (2) (a) Whenever funds are available for these purposes the board  
5 of directors of the school district or educational service district  
6 may contribute all or a part of the cost of such protection or  
7 insurance for the employees of their respective school districts or  
8 educational service districts and their dependents. The premiums on  
9 such liability insurance shall be borne by the school district or  
10 educational service district.

11 (b) After October 1, 1990, school districts may not contribute to  
12 any employee protection or insurance other than liability insurance  
13 unless the district's employee benefit plan conforms to RCW  
14 28A.400.275 and 28A.400.280.

15 (c) After December 31, 2019, school district contributions to any  
16 employee insurance that is purchased through the health care  
17 authority must conform to the requirements established by chapter  
18 41.05 RCW and the school employees' benefits board.

19 (3) For school board members, educational service district board  
20 members, and students, the premiums due on such protection or  
21 insurance shall be borne by the assenting school board member,  
22 educational service district board member, or student. The school  
23 district or educational service district may contribute all or part  
24 of the costs, including the premiums, of life, health, health care,  
25 accident or disability insurance which shall be offered to all  
26 students participating in interschool activities on the behalf of or  
27 as representative of their school, school district, or educational  
28 service district. The school district board of directors and the  
29 educational service district board may require any student  
30 participating in extracurricular interschool activities to, as a  
31 condition of participation, document evidence of insurance or  
32 purchase insurance that will provide adequate coverage, as determined  
33 by the school district board of directors or the educational service  
34 district board, for medical expenses incurred as a result of injury  
35 sustained while participating in the extracurricular activity. In  
36 establishing such a requirement, the district shall adopt regulations  
37 for waiving or reducing the premiums of such coverage as may be  
38 offered through the school district or educational service district  
39 to students participating in extracurricular activities, for those  
40 students whose families, by reason of their low income, would have

1 difficulty paying the entire amount of such insurance premiums. The  
2 district board shall adopt regulations for waiving or reducing the  
3 insurance coverage requirements for low-income students in order to  
4 assure such students are not prohibited from participating in  
5 extracurricular interschool activities.

6 (4) All contracts or agreements for insurance or protection  
7 written to take advantage of the provisions of this section shall  
8 provide that the beneficiaries of such contracts may utilize on an  
9 equal participation basis the services of those practitioners  
10 licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71  
11 RCW.

12 (5) (a) Until the creation of the school employees' benefits board  
13 under RCW 41.05.740, school districts offering medical, vision, and  
14 dental benefits shall:

15 (i) Offer a high deductible health plan option with a health  
16 savings account that conforms to section 223, part VII of subchapter  
17 1 of the internal revenue code of 1986. School districts shall comply  
18 with all applicable federal standards related to the establishment of  
19 health savings accounts;

20 (ii) Make progress toward employee premiums that are established  
21 to ensure that full family coverage premiums are not more than three  
22 times the premiums for employees purchasing single coverage for the  
23 same coverage plan, unless a subsequent premium differential target  
24 is defined as a result of the review and subsequent actions described  
25 in RCW 41.05.655;

26 (iii) Offer employees at least one health benefit plan that is  
27 not a high deductible health plan offered in conjunction with a  
28 health savings account in which the employee share of the premium  
29 cost for a full-time employee, regardless of whether the employee  
30 chooses employee-only coverage or coverage that includes dependents,  
31 does not exceed the share of premium cost paid by state employees  
32 during the state employee benefits year that started immediately  
33 prior to the school year.

34 (b) All contracts or agreements for employee benefits must be  
35 held to responsible contracting standards, meaning a fair, prudent,  
36 and accountable competitive procedure for procuring services that  
37 includes an open competitive process, except where an open process  
38 would compromise cost-effective purchasing, with documentation  
39 justifying the approach.

1 (c) School districts offering medical, vision, and dental  
2 benefits shall also make progress on promoting health care  
3 innovations and cost savings and significantly reduce administrative  
4 costs.

5 (d) All contracts or agreements for insurance or protection  
6 described in this section shall be in compliance with chapter 3, Laws  
7 of 2012 2nd sp. sess.

8 (6) The authority to make available basic and optional benefits  
9 to school employees under this section expires December 31, 2019,  
10 except: (a) As described in RCW 28A.400.280 for which the authority  
11 does not expire; and (b) for nonrepresented employees of educational  
12 service districts, for which the authority expires December 31, 2023.  
13 Beginning January 1, 2020, school districts, for all school  
14 employees, and educational service districts, for represented  
15 employees, shall make available basic and optional benefits through  
16 plans offered by the health care authority and the school employees'  
17 benefits board. Beginning January 1, 2024, educational service  
18 districts, for nonrepresented employees, shall make available basic  
19 and optional benefits through plans offered by the health care  
20 authority and the school employees' benefits board.

21 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.05  
22 RCW to read as follows:

23 (1) In addition to the benefits offering authority the school  
24 employees' benefits board has under this chapter, the school  
25 employees' benefits board may also study and, subject to the  
26 availability of amounts appropriated for this specific purpose, offer  
27 the following benefits:

28 (a) Emergency transportation;

29 (b) Identity protection;

30 (c) Legal aid;

31 (d) Long-term care insurance;

32 (e) Noncommercial personal automobile insurance;

33 (f) Personal homeowner's or renter's insurance;

34 (g) Pet insurance;

35 (h) Specified disease or illness-triggered fixed payment  
36 insurance, hospital confinement fixed payment insurance, or other  
37 fixed payment insurance offered as an independent, noncoordinated  
38 benefit regulated by the office of the insurance commissioner;

39 (i) Travel insurance; and

1 (j) Voluntary employees' beneficiary association accounts.

2 (2) The authority, in consultation with the school employees'  
3 benefits board, shall review the optional benefits reported by school  
4 districts as required in RCW 28A.400.280 and determine if the  
5 optional benefits are in competition with benefits offered by the  
6 authority or the school employees' benefits board. If a school  
7 district benefit offering is determined to be in competition with the  
8 benefits offered by the authority or the school employees' benefits  
9 board, the authority will inform the school district of the benefits  
10 conflict and work with the school district and the applicable carrier  
11 to either modify and remove competing components of the district-  
12 based benefit or end the district-based offering. If a carrier is in  
13 the process of modifying benefits, including seeking any required  
14 regulatory approval, a school district can continue to offer the  
15 original benefit.

16 (3) Specified disease or illness-triggered fixed payment  
17 insurance, hospital confinement fixed payment insurance, or other  
18 fixed payment insurance offered as an independent, noncoordinated  
19 benefit are not considered a health plan as defined in RCW  
20 48.43.005."

21 Correct the title.

EFFECT: (1) Removes all provisions of the underlying bill,  
including intent provisions.

(2) Specifies that school district optional benefits must not  
compete with any form of the basic or optional benefits offered in  
the School Employees' Benefits Board (SEBB) program or under the  
authority of the Health Care Authority (HCA) in a specific salary  
reduction plan.

(3) Specifies that school districts and the applicable carrier  
must work with the HCA to either modify and remove competing  
components of the district-based benefit, or end the benefit that is  
in competition with offered benefits of the HCA or the SEBB.

(4) Delineates optional benefits that may be offered by a school  
district if the benefits are not offered by the SEBB.

(5) Makes the authority of school districts to offer qualifying  
basic and optional benefits to school employees permanent.

(6) Authorizes the SEBB to study and, subject to availability of  
specific funding, offer delineated benefits to school employees.

(7) Directs the HCA, in consultation with the SEBB, to review  
optional benefits provided by school districts and determine if the  
optional benefits are in competition with benefits offered by the HCA  
or the SEBB.

(8) Establishes requirements if a district-offered benefit is  
determined to be in competition with benefits offered by the HCA or  
the SEBB.

(9) Provides that certain insurance offerings are not considered a health plan with respect to optional benefits offered by school districts.

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